GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3659
ANSWERED ON:08.08.2017
Support Price of Crops
Singh Shri Satya Pal

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether support price of the crops is fixed keeping in mind the value of farmers holding cost involving ploughing and irrigation, labour of farmer and all other relevant factors;

(b) if so, the details thereof; and

(c) the steps taken by the Government to provide remunerative prices to the farmers for their produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (c): Government fixes the Minimum Support Prices (MSPs) of various crops on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While formulating its recommendations on price policy, the CACP considers, inter alia, a number of important factors which include cost of production, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc. The cost of production, inter alia, includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, diesel/electricity for operation of pump sets etc. and imputed value of family labour (A2+FL).

The Government offers to procure the agricultural produce through procurement agencies at MSP. However, farmers are free to sell their produce to Government procurement agencies at MSP or in the open market as is advantageous to them.

Contdâ€¦2/-

In addition, Government has taken several steps to ensure MSP for all agricultural produce which inter alia includes setting up of procurement centre keeping in view the potential in the areas; creating awareness among the farmers of the MSP operations; making payment through arthias/co-operative societies to the farmers through A/c payee cheque/electronic mode as per prevailing situation in the states; encouraging decentralized procurement; adopting e-procurement system; engaging private players in certain States to participate in procurement operations etc.

Government has also launched a scheme developing a pan India electronic trading platform under 'National Agriculture Market' (NAM) aiming to integrate 585 regulated markets with the common e-market platform to ensure remunerative prices to the farmers. Each State is being encouraged to undertake three major reforms - allow electronic trading, have a single license valid throughout the State and a single entry point market fee.

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